

## **ANNEXURE I (para. I)**

### **MINISTRY OF FINANCE**

#### **RESOLUTION**

*New Delhi, the 28th January 1948*

**No. F. 1(1)-O.S.D.(Econ)/48.**—In pursuance of the undertaking given by the Government in the Constituent Assembly (Legislative) on the cut motion of Shri B. Das regarding economy in expenditure and the widespread desire expressed in the House regarding economy, Government have decided to set up an Economy Committee, with headquarters at Delhi, the composition of which will be as follows:

#### *Chairman*

Shri Kasturbhai Lalbhai,

#### *Members*

Shri B. Das, Member, Constituent Assembly

Shri S. K. Patil, Member, Constituent Assembly.

Shri T. A. Ramalingam Chettiar, Member, Constituent Assembly.

Shri Ishwar Dayal, Accountant General.

#### *Secretary*

Shri G. S. Rau, Deputy Secretary, Finance Ministry.

2. The following will be the terms of reference of the Committee:—

‘To review the increase in the Civil Expenditure of the Central Government since 1938-39 and to make recommendations for the promotion of true economy in the administration by the elimination of unnecessary, wasteful or extravagant expenditure having regard particularly to:

(1) the termination of activities which have ceased to serve any essential purpose;

(2) the desirability of reducing or curtailing any functions or activities which may have been undertaken by the Central Government within the Provincial sphere beyond what is necessary;

(3) the reduction of the scale of expenditure on staff, contingencies and supplies and services which is in excess of the minimum which is essential for an efficient administrative machinery; and

(4) in regard to development expenditure to draw attention as far as possible to expenditure which is not in accordance with any defined policy of the Central Government and to suggest methods by which Government policy might be most economically carried out.”

3. The Committee will examine the expenditure pertaining of all the Civil Departments, their attached and subordinate offices including the Chief Commissioners’ Provinces and the Civilian establishment under the Defence Ministry. As regards the Railway Ministry, the expenditure incurred from the Railway Revenues is already under examination by the Indian Railways enquiry Committee 1947.

4. It will be within the competence of the Committee to call for any information in writing and to take evidence from any Department or officer of the Government of India. As the experience of the Provincial Governments will be of value to the Committee in connection with their enquiries, the Central Government trusts that the full co-operation of all Provincial Governments and administrations will be afforded to the Committee.

K. R. P. AIYANGAR, Joint Secy.

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ORDERED that the Resolution may be published in the *Gazette of India* and communicated to the Ministries of the Government of India, the Cabine Secretariat and the Prime Minister's Secretariat.

Copy forwarded to all Chief Commissioners.

R. P. SARATHY, Dy. Secy.

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## PRESS COMMUNIQUE

### ECONOMY COMMITTEE SET UP

A resolution of the Central Government has been published today constituting an Economy Committee in response to the widespread desire expressed in the Constituent Assembly (Legislative) on a cut motion by Shri B. Das regarding economy in expenditure. During the War, enormous expansion of Departments took place, and no systematic review has been made since its termination to effect legitimate reductions. Government have, therefore, been considering for some time the need for a scientific enquiry into the growth of expenditure of the various Departments, their attached and subordinate offices since 1938 and the promotion of economy and elimination of waste in the context of altered conditions, having due regard to the requirements of normal Government activities and the development plans which they propose to carry out as National Government of a free and independent India. The composition of the Committee is as follows:

Shri Kasturbhai Lalbhai—*Chairman*.

Shri B. Das, Member, Constituent Assembly

Shri S. K. Patil, Member, Constituent Assembly

Shri T. A. Ramalingam Chettiar, Member, Constituent Assembly

Shri Ishwar Dayal, Accountant General.

} *Members.*

Shri G. S. Rau, Deputy Secretary in the Finance Ministry—*Secretary*.

It is the endeavour of the Government to carry out a scientific investigation of the needs of the various Ministries etc., and the composition of the Committee as set out above, representing as it does the experience of business, the Legislature and the Government Departments, is a guarantee to that end. Government have impressed on the Chairman and the Members of the Committee the expeditious nature of the work. They have accordingly directed the Committee make interim reports in respect of the various Ministries so that action can be taken as quickly as possible on the recommendations of the Committee.

MINISTRY OF FINANCE

New Delhi, January 28, 1948.

**ANNEXURE II**

CORRESPONDENCE (*VIDE* PARA. 2) BETWEEN THE CHAIRMAN,  
ECONOMY COMMITTEE AND THE HON'BLE THE FINANCE  
MINISTER.

(1)

Office of the Economy Committee,  
D.O. No. F. 1(1)-OSD (Econ.)/48;  
New Delhi, the 17th Feb., 1948.

My dear Shanmukham,

I write to seek a clarification of the terms of reference of the Economy Committee. The preamble says that we are "to make recommendations for the promotion of *true* economy in the administration by the elimination of unnecessary wasteful or extravagant expenditure", and goes on to say "having particular regard to" certain items mentioned therein. I presume it is Government's intention that the Committee's activities should cover alternative methods of work and policy likely to lead to true economy over the whole field of Civil Expenditure.

Yours sincerely,  
KASTURBHAI LALBHAI.

The Hon'ble  
Shri R. K. Shanmukham Chetty,  
Finance Minister,  
Government of India,  
New Delhi.

(2)

PSF. 1362/48  
New Delhi,  
20th February 1948.

My dear Kasturbhai,

Please refer to your D.O. letter No. F. 1(1)-OSD(Econ.)/48, dated the 17th February 1948 regarding the clarification of the preamble to the terms of reference of the Economy Committee. Questions of policy are for Government to decide but there is no bar to the Economy Committee recommending to Government alternative methods of work and policy likely to lead to true economy over the whole field of civil expenditure. You will find from the enclosed copy of the terms of reference of the Indian Retrenchment Committee (Incheape Committee), 1922-23, that a similar mandate was given to that Committee also and it is the intention of Government that the present Economy Committee should work approximately within the same limitations as the Indian Retrenchment Committee, 1922-23 worked.

Yours sincerely,  
R. K. SHANMUKHAM CHETTY.

Shri Kasturbhai Lalbhai,  
Chairman, Economy Committee.

**TERMS OF REFERENCE****TO THE INDIAN RETRENCHMENT COMMITTEE (1922-23)**

(The Inchcape Committee)

To make recommendations to the Government of India for effecting forthwith all possible reductions in the expenditure of the Central Government, having regard especially to the present financial position and outlook. In so far as questions of policy are involved in the expenditure under discussion, these will be left for the exclusive consideration of the Government, but it will be open to the Committee to review the expenditure and to indicate the economies which might be effected if particular policies were either adopted, abandoned, or modified.

**ANNEXURE III (Para. 5)****A**

*Statement showing representatives of Ministries who appeared before the Economy Committee, the dates on which various Ministries were examined and the dates on which reports of the Committee were sent to the Ministry of Finance.*

Ministry, etc.	Representatives who appeared before the Committee and assisted in their deliberations.	Dates of Meeting.	Dates on which reports were sent.
1	2	3	4
1. States	Mr. M. K. Kirpalani Mr. V. P. Menon.	18th May 1948 25th September 1948.	} 12th March 1949.
2. Law	Mr. K. V. K. Sundaram	19th May 1948	
3. Cabinet Secretariat	Mr. Dharma Vira	20th May 1948	7th June 1948.
4. Education	Dr. Tarachand Prof. Humayun Kabir Mr. P. N. Kirpal. Dr. S. R. Sen Gupta. Dr. N. P. Chakravarti. Dr. S. N. Sen. Mrs. P. Johari. Mrs. B. Chatterjee.	11th, 12th and 14th August 1948	30th November 1948.
5. Food	Mr. Vishnu Sahay Mr. R. L. Gupta. Mr. N. T. Mone.	13th August 1948	30th November 1948 and 16th April 1949.
6. Labour	Mr. S. Lall Mr. K. N. Subramanian Mr. N. Das.	16th and 17th August 1948.	30th November 1948.

1	2	3	4
7. Agriculture	Mr. B. R. Sen Mr. Datar Singh Mr. S. Y. Krishnaswamy. Mr. H. C. Sharma. Dr. D. R. Sethi. Mr. M. C. Bijawat.	18th, 19th and 21st August 1948.	6th December 1948.  30th November 1948
8. Health	Dr. Jivaraj Mehta Mr. P. N. Menon Dr. K. C. K. E. Raja	20th August 1948	30th November 1948
9. Transport	Mr. Y. N. Sukthankar Mr. S. Chakraverty. Mr. G. M. McKelvie.	22nd September 1948	30th November 1948.
10. External Affairs and Common- wealth Relations.	Mr. K. P. S. Menon Mr. S. Dutt. Mr. P. A. Menon Mr. S. Ratnam Mr. M. A. Hussain	23rd and 24th September 1948	30th November 1948]
11. Information and Broadcasting.	Mr. P. C. Chaudhuri Mr. N. A. S. Lakshmanan Mr. A. S. Iyengar Mr. V. R. Bhatt Mr H. P. Kaul,	28th and 29th September 1948	6th December 1948]
12. Industry and Supply.	Mr. S. A. Venkataraman Mr. M. P. Pal. Mr. T. Sivasankar. Dr. J. C. Ghosh. Mr. P. R. Nayak. Mr. A. Baksi.	28th and 29th November 1948.	26th March 1949.
13. Defence	Mr. H. M. Patel Mr. N. N. Wanchoo.	30th November 1948.	25th March 1949.
14. Commerce	Mr. C. C. Desai Mr. K. K. Chettur. Mr. S. Ranganathan. Mr. L. K. Jha. Mr. G. R. Kamath. Mr. B. N. Banerjee. Mr. S. Jagannathan.	6th and 7th January 1949.	26th March 1949.
15. Communications	Mr. V. K. R. Menon Mr. K. V. Venkatachalam. Dr. S. K. Banerji. Mr. Krishna Prasada. Mr. B. R. Batra. Mr. T. P. Bhalla. Mr. K. M. Raha. Mr. E. M. Rossiter. Mr. R. N. Katju.	8th and 10th January 1949.	12th April 1949.
16. (a) Finance	Mr. K. R. K. Menon Mr. P. C. Bhattacharyya.	11th, 12th and 13th January 1949.	} 27th April 1949.
Central Board of Revenue.	Mr. P. C. Padhi Mr. K. R. P. Aiyangar. Mr. A. N. Sattanathan.	19th March 1949.	
(b) Indian Audit Department.	Mr. V. Narahari Rao	7th January 1949	

1	2	3	4
17. (a) Home Affairs	Mr. H. V. R. Iengar . Mr. R. A. Gopalaswamy. Mr. R. C. Dutt.	14th January 1949.	25th March 1949.
(b) Federal Public Service Commission.	Dr. R. M. Ray . . .	13th January 1949	25th March 1949.
18. Works, Mines and Power.	Mr. B. K. Gokhale . Mr. D. L. Mazumdar. Mr. A. C. Das. Mr. B. B. Paymaster Mr. S. Nilakantam. Mr. G. T. Meshram. Mr. B. S. Puri. Mr. A. N. Chopra. Dr. M. S. Krishnan. Dr. W. D. West. Mr. A. N. Khosla. Mr. K. P. P. Menon. Mr. B. N. Pal. Mr. M. B. Chatterji. Mr. H. C. Mohindra.	13th January 1949. and 18th March 1949.	} 16th April 1949.
19. Governor General's Secretariat.	Mr. S. A. Lal . . . Col. B. Chatterjee.	17th March 1949.	18th April 1949.
20. Department of Scientific Research.	Dr. S. S. Bhatnagar . T	17th March 1949	16th April 1949.
21 Relief and Rehabilitation.	Mr. V. D. Dantiyagi . . Mr. B. G. Rao. Mr. N. C. Srivastava.	22nd March 1949.	12th April 1949.

## B

### *List of Offices visited*

All Ministries of the Government of India including the Prime Minister's Secretariat and the Governor General's Secretariat and the Department of Scientific Research.

In addition, the following offices:

#### 1. *Ministry of Agriculture.*

Indian Council of Agricultural Research, New Delhi.  
Survey of India Office, Dehra Dun.  
Forest Research Institute, Dehra Dun.  
Central Tractors Organisation, New Delhi.  
Indian Agricultural Research Institute, New Delhi.  
Indian Dairy Research Institute, Bangalore.

#### 2. *Ministry of Commerce.*

Office of the Superintendent of Insurance, Simla.  
Administrative Intelligence Room, New Delhi.  
Office of the Registrar of Trade Marks, Bombay.  
Office of the Chief Controllers of Imports and Exports. New Delhi.

### 3. *Ministry of Communications.*

Overseas Communications Service, Bombay and Kirkee.  
 Meteorological Offices, Poona and Delhi.  
 Posts and Telegraphs Directorate, New Delhi.  
 Directorate General of Civil Aviation, New Delhi.  
 Office of the Chief Government Inspector of Railways, Simla.  
 The Willingdon Aerodrome.  
 Office of the Controller of Telegraph Stores, Calcutta.

### 4. *Ministry of Education.*

Directorate General of Archaeology, New Delhi.  
 Delhi Polytechnic.  
 Central Secretariat Library, New Delhi.

### 5. *Ministry of Finance.*

National Savings Central Bureau, Simla.  
 Statistical and Intelligence Branch, Central Excise, Delhi.  
 Control Laboratory, C.B.R., Delhi.  
 India Government Mints, Bombay and Alipore.  
 India Security Printing Press, Nasik Road.  
 Collectorate of Customs, Calcutta, Bombay and Madras.  
 Collectorate of Central Excise, Calcutta, Bombay, Madras and Shillong.  
 Offices of the Commissioner of Income-tax, Bombay, Madras, Calcutta and Shillong.  
 Office of the Accountant General, Madras.

### 6. *Ministry of Health.*

Malaria Institute of India, Delhi.

### 7. *Ministry of Industry and Supply.*

Mathematical Instruments Office, Calcutta.  
 Government Test House, Alipore.  
 Office of the Iron and Steel Controller, Calcutta.  
 Office of the Fertilizer Project, Sindri.  
 Hindustan Air Craft Factory, Bangalore.  
 Directorate General of Industry and Supply, New Delhi.  
 Directorate General of Disposals, New Delhi.  
 Calcutta Depot of Director General Disposals.

### 8. *Ministry of Information and Broadcasting.*

All-India Radio, New Delhi.  
 Publications Divisions, Delhi.  
 Office of the Advertising Consultant, Simla.  
 Monitoring Section, All India Radio, Simla.  
 Press Information Bureau, New Delhi.  
 Films Divisions, Bombay.

9. *Ministry of Labour.*

Directorate General of Resettlement and Employment, New Delhi.  
 Labour Bureau, Simla.  
 Chief Labour Commissioner.  
 Chief Adviser, Factories.

10. *Ministry of Relief and Rehabilitation.*

Nilokheri Rehabilitation Camp.

11. *Ministry of Transport.*

Cochin Harbour, Cochin.

12. *Ministry of Works, Mines and Power.*

Indian School of Mines, Dhanbad.  
 Office of the Chief Engineer, C.P.W.D., New Delhi.  
 Office of the Chief Inspector of Explosives, New Delhi.  
 Office of the CWINC, New Delhi.  
 CWINC Research Station, Khadakvasla.  
 The Central Electricity Commission, Simla.

13. *Department of Scientific Research.*

Fuel Research Institute, Dhanbad.

14. Auditor General's Office, Simla.

15. The Office of the Federal Public Service Commission.

In addition representatives of the Committee had discussions with

- (i) the Labour Department of the Government of Bombay on certain labour problems.
- (ii) the Adviser to the Governor of Assam on matters relating to "tribal areas", and
- (iii) the Textile Labour Association, Ahmedabad.



# ANNEXURE IV (Para. 8)

## GROWTH OF CENTRAL GOVERNMENT EXPENDITURE

(In thousands of rupees)

Civil Departments excluding Railways and P. & T.	1938-39	1939-40	1940-41	1941-42	1942-43	1943-44	1944-45	1945-46	1946-47 R. E.
<i>Expenditure on Revenue Account</i>									
Direct Demands on Revenue (i.e., organisations for collection of Revenue).	4,23,50	3,85,86	3,81,54	4,45,72	5,10,58	6,11,64	8,30,67	9,66,94	10,64,27
General Administration } (Ministries etc.)	1,86,57	1,94,05	2,02,74	2,23,16	2,68,54	3,30,98	4,23,86	5,35,89	6,22,69
Other heads under Civil Administration. } (1)	9,03,14	9,18,38	10,40,75	10,98,09	14,07,41	15,37,22	19,77,84	24,09,24	37,17,99
Currency and Mint . . . .	35,75	39,23	98,87	1,23,02	1,74,98	2,26,41	2,08,27	1,51,48	1,91,30
Irrigation . . . . .	10,11	9,23	9,14	9,67	8,38	7,95	11,48	16,05	20,26
Civil Works . . . . .	2,51,86	2,69,28	2,99,18	3,60,77	3,06,79	56,37	(—)1,73,30	1,40,15	7,88,09
Miscellaneous (2) . . . .	3,62,65	3,86,21	3,18,57	3,63,05	4,48,36	5,24,16	6,48,53	17,46,56	32,05,35
Other Items (3) . . . . .	3,07,50	11,00,36	4,27,03	7,69,20	33,02,63	36,41,63	39,78,67	31,10,47	5,31,37
TOTAL . . . . .	24,81,08	33,02,60	27,77,82	33,92,68	64,27,67	69,36,36	79,06,02	90,76,78	101,41,32
Debt Services . . . . .	14,12,29	12,73,81	13,47,85	10,08,07	10,69,57	13,01,78	22,69,60	33,61,53	41,95,00
Defence Services . . . . .	52,06,90	50,26,43	74,80,64	105,38,18	218,54,24	368,00,82	412,09,61	371,75,50	266,71,83
Grand total excluding Railways and and P. & T.	91,00,27	96,02,84	116,06,31	149,38,93	293,51,48	450,38,96	513,85,23	496,13,81	410,08,15
<i>Capital Expenditure</i> (Excluding P. & T. Railways and Defence and including extra- ordinary items e.g., sterling Pensions, payment to Pakistan etc.).	1,22	8,05	(—)16,98	6,18	1,25,39	14,44,41	(—)2,34,98	10,34,82	184,20,53

# ANNEXURE IV (Para. 8)—Contd.

## GROWTH OF CENTRAL GOVERNMENT EXPENDITURE

(In thousands of rupees)

Civil Departments excluding Railways and P. & T.	Post Parti- tion only) 1947-48 R.E.	1948-49 R.E.	1949-50 B.E.	Remarks.
<i>Expenditure on Revenue Account</i>				
Direct Demands on Revenue ( <i>i.e.</i> , organi- sations for collection of Revenue).	5,45,10	9,88,05	10,06,17	(1) The head " Civil Administration includes : General Administration      Education Audit      Medical Administration of Justice      Public Health Jails and Convicts Settlements      Agriculture Lighthouses and Lightships      Veterinary Police      Co-operation Ports and Pilotage      Aviation Ecclesiastical      Broadcasting Tribal Areas      Miscellaneous External Affairs      Deptts. Scientific Depts. Industries and Supplies.
General Administration (Ministries etc.) . . . . .	4,22,52	7,47,70	7,78,38	
Other heads under Civil Administration . . . . .	19,52,89	30,86,93	32,71,84	
Currency and Mint . . . . .	1,13,85	2,76,29	2,22,89	
Irrigation . . . . .	8,14	7,81	12,21	(2) " Miscellaneous " includes the following heads : Famine. Territorial and Political Pensions Superannuation Allowances and Pensions. Stationery and Printing. Expenditure on Refugees. Miscellaneous.
Civil Works . . . . .	6,28,41	8,15,51	7,31,46	
Miscellaneous (2) . . . . .	38,97,86	59,39,61	50,62,17	
Other Items (3) . . . . .	3,73,89	25,91,70	15,01,69	
TOTAL . . . . .	79,42,66	144,53,60	125,86,81	(3) " Other Items " include the following : Extraordinary charges. Expenditure connected with post war planning and development. Civil Defence. Expenditure connected with the War, 1939. Pre-partition payments.
Debt Services . . . . .	19,23,80	39,90,77	39,29,34	
Defence Services . . . . .	91,32,20	164,94,42	168,39,29	
Grand total exluding Railways and P. & T. . . . .	189,98,66	349,38,79	333,55,44	
<i>Capital Expenditure.</i>				
(Excluding P. & T. Railways and Defence and including extraordinary items <i>e.g.</i> , starling Pensions, payment to Pakistan, etc.)	37,63,20	268,92,53	59,10,96	

## ANNEXURE V (Para. 14)

## INSTANCES OF RAPID PROMOTION

Serial No.	Monthly emoluments in their non-official posts at the time of first appointment	Designation of post in which first appointed	Whether recruited direct or through F.P.S.C.	Date of appointment under Government and starting pay	Particulars of promotion since first appointment and pay on 1-4-48
1.	Rs. 500	Assessor to the adjudicator in the All India Railway dispute.	Direct	July 1946 Rs. 1,950	Feb. 48—Joint Educational Adviser, Rs. 2,000.
2.	In public life	Private Secretary to the Hon'ble Minister for Food.	Direct	April 1947 Rs. 800.	Feb. 48—Regional Food Commissioner, Rs. 1,800.
3.	Rs. 245, Non-Gazetted post under Burma Government.	Statistician to the Sugar Controller for India.	Through F.P.S.C.	1943 Rs. 320.	April 44, Aug. 45—Research Officer, Rs. 350. Aug. 45, Dec. 45—Chief Research Officer, Rs. 600. Dec. 45, Dec. 46—Secy., Shipping Policy Committee. Dec. 46, July 48—O.S.D. in the Ministry of Commerce. July 48—Under Secretary, Rs. 800. April 49—Secretary Tariff Board, Rs. 1,300.
4.	Rs. 900 in the Allahabad University.	O.S.D. in Labour Department.	Direct	Feb. 45. Rs. 1,250.	July 46—O.S.D. in the Ministry of Finance, Rs. 1,800. Apl. 48—O.S.D. in the E.A. Ministry, Rs. 2,250.
5.	Rs. 1,456	Custodian of Evacuees Property.	Direct	Dec. 1907 Rs. 2,500.	Rs. 2,250. Rs. 2,500
6.	Rs. 165	Junior Electrical Engineer, Central Electricity Commission.	Direct	Dec. 1943 Rs. 600.	Apl. 46—Technical Officer, Grade B, Rs. 1,380.
7.	Rs. 480 as Professor of Economics.	Econ. & Statistical Adviser in the E.H.&L. Department.	*	1945 Rs. 1,000.	April 48, Rs. 1,480.
8.	Rs. 280 as Professor of Animal Husbandry.	Assistant Cattle Utilisation Adviser.	*	Jan. 46. Rs. 600.	March 48—Dy. Cattle Utilisation Adviser, Rs. 1,150.
9.	Rs. 225	Research Officer	*	March 45 Rs. 350.	Apl. 46—Assistant Director of Econ. & Statistics, Rs. 600. May 47—DEcon. & Statistic Adviser, Rs. 1,150.

\* Not available.

**ANNEXURE VI (Para. 41)**

GOVERNMENT OF INDIA MINISTRY OF HOME AFFAIRS.

**CENTRAL SECRETARIAT SERVICE****REORGANISATION AND REINFORCEMENT SCHEME—REVISED  
DRAFT****I.—Preliminary**

1. The Central Secretariat Service (referred to as "the Service") will be reorganised in the manner described in this memorandum. The posts, borne on the cadre of the Service (referred to as "Duty Posts"), will be settled as described in Section II. The authorised strength of the Service and different grades therein will be regulated in relation to the duty posts as described in Section III. Initial constitution of the Service, as reorganised, will be made as described in Section IV. The Service will be maintained in future—that is to say, recruitment, training, promotions and transfers, leave, deputations, pay scales and other conditions of service, will be regulated as described in Section V.

**II.—Schedule of Duty Posts**

2. Duty Posts will be divided into one or other of three categories as below:—

Category A—Branch Officer.

Category B—Section Officer.

Category C—Assistant.

3. All posts in the Central Secretariat (present and future), the functions attached to which are those of the posts at present designated as either Under Secretary or Assistant Secretary, will be classified as duty posts of Category A—unless specifically declared to be Excluded Posts.

4. All posts in the Central Secretariat (present and future), the functions attached to which are the same as those of the posts at present designated as either Superintendent or Assistant-in-charge will be classified as Duty Posts of Category B—unless specifically declared to be Excluded Posts.

5. All posts in the Central Secretariat (present and future), the functions attached to which are those of the posts at present known as Assistants will be classified as Duty Posts of Category C.

6. (i) (a) Any post which is classifiable as a Duty Post of Category A may be declared to be an Excluded Post if such post is required to be reserved as a junior duty post to be filled by officers of the Indian Administrative Service or any Central Service, Class I.

(b) Any post which is classifiable as a Duty Post of either Category A or Category B may be declared to be an Excluded Post, if the functions attached to such post are such as to render it essential that persons possessing specified technical or specialist qualifications should hold it.

(ii) The declaration of any post as an Excluded Post will require the concurrence of the Ministry administratively concerned and the Ministry of Home Affairs. Upon such declaration and as long as the declaration is in force, Excluded Posts shall be deemed not to be Duty Posts.

7. (i) Any other post in the Central Secretariat or any Attached Office may be declared to be an Included Post, if the following conditions are fulfilled, *viz.*—

- (a) such post is below the rank of Deputy Secretary and of not less rank than Assistant,
- (b) the functions attached to such post are such as to require that the holder of the post should possess substantially the same qualifications, training and experience as those necessary for the holders of Duty Posts in the Central Secretariat.
- (c) persons performing the functions attached to such posts are likely to be better fitted thereby efficiently to perform the functions attached to Duty Posts in the Central Secretariat, and
- (d) such post is either permanent or semi-permanent and not purely temporary.

(ii) The declaration of any such post as an Included Post will require the concurrence of the Ministry administratively concerned, the Ministry of Finance, and the Ministry of Home Affairs. Upon such declaration, and as long as declaration is in force, Included Posts will be deemed to be Duty Posts.

6. All Duty Posts will be classified as one or other of three types, *viz.* permanent posts, or semi-permanent posts, or purely temporary posts. The classification will be revised annually. The distinction between them is as follows:—

*Permanent Posts.*—These are posts for which financial sanctions has been accorded on a permanent basis.

*Semi-permanent Posts.*—These are posts which are not permanent, nor purely temporary in the sense defined below.

*Purely Temporary Posts.*—These are posts for which financial sanction has been accorded on a temporary basis and which are not expected to be or have not been retained for a period of 3 years following the date on which the classification is made or revised.

9. (i) The Ministry of Home Affairs will, after making necessary enquiries prepare a Schedule of Duty Posts.

(ii) The Schedule will show in respect of each Ministry—

- (a) the total number of Duty Posts of each category under the administrative control of each Ministry.
- (b) how many of such posts are Permanent, Semi-Permanent or Purely Temporary Posts, and
- (c), particulars regarding Excluded Posts and Included Posts, if any under the administrative control of each Ministry.

(iii) The Schedule thus prepared will be revised annually and will provide the basis on which the authorised strength of the Service and of different grades therein will be determined.

### III.—Grades and Authorised Strength

10. There will be four Grades of Members of the Service, as shown below:

Grade I—Under Secretary.

Grade II—Superintendent.

Grade III—Assistant Superintendent.

Grade IV—Assistant.

The designations of Assistant Secretary and Assistant-in-charge will cease to exist. Grade IV will, as at present, be Class II and Non-Gazetted. The new grade of Assistant Superintendent will be that of a Gazetted Class II officer. Officers of Grades I and II will be Class I officers.

11. All Duty Posts of Category A should be filled either by Under Secretaries or by Superintendents placed in charge of such posts.

12. All Duty Posts of Category B should be filled either by Superintendents, or by Assistant Superintendents placed in charge of such posts.

13. All Duty Posts of Category C should be filled by Assistants; or by Assistant Superintendents who are directly recruited, and who on completion of their training, are placed in charge of Duty Posts of Category C in order to acquire experience therein.

14. The following scale of posts and authorised establishment under the control of a Deputy Secretary of the Government of India will be known as a Standard Secretariat Division:

<i>Scale of Duty Posts</i>			<i>Scale of Authorised Establishment</i>		
Category A	Branch Officers	2	Grade I	Under Secretaries	2
Category B	Section Officers	4	Grade II	Superintendents	3
Category C	Assistants	18	Grade III	Assistant Superintendents	3
			Grade IV	Assistants	16
		<hr/> 24 <hr/>			<hr/> 24 <hr/>

It is not intended that the organisation of the Central Secretariat should, in all Ministries, be immediately remodelled into a fixed number of Standard Secretariat Divisions on this scale. It is intended to be kept in mind as the type of establishment representing the normal charge of a Deputy Secretary in the Central Secretariat. It will also be the UNIT in terms of which the Secretariat quota of the *Authorised Permanent Strength of the Service* will be fixed.

15. The Authorised Permanent Strength of the Service will be fixed by the Ministry of Home Affairs, with the concurrence of the Ministry of Finance, in accordance with the provisions of this scheme. It will consist of a *Secretariat Quota* and a *Non-Secretariat Quota*. In fixing the authorised permanent strength, it should be remembered that the establishment requirements of the Central Government cannot at present be estimated with certainty except for a few years ahead, and that conditions which cause this uncertainty are likely to persist for a considerable time. At the same time it is essential

from the point of view alike of economy and efficiency that as large a proportion as possible of the members of the Service should be recruited on a Permanent basis. A flexible system of fixation of Authorised Permanent Strength will therefore be followed. It will be based on the following principles, viz.—

(i) It should be assumed that a number of posts equal to half of the total number of semi-permanent posts is likely to be continued indefinitely in one form or another; and should be provided for in the permanent strength. All the Purely Temporary Posts and half of the Semi-Permanent Posts should be ignored for purposes of determining the permanent strength.

(ii) The Authorised Permanent Strength fixed on these assumptions, should be reviewed *once in every three years*, and refixed, if found necessary, with reference to changes which might occur in the Schedule of Duty Posts. If, as a result of any such triennial refixation, the Authorised Permanent Strength is reduced, effect should be given to such reduction by equivalent deduction in the following triennium of the rate of direct recruitment to the Service and promotions from grade to grade. The rights of members appointed to the Service on a permanent basis will not be prejudiced by any revision of permanent strength, effected subsequent to such appointment.

16. *Fixation of Secretariat Quota.*—This will be fixed as the equivalent of a prescribed number of Standard Secretariat Divisions. The method by which this number will be settled is described below. Let  $A_1$  be the number of Permanent Posts and  $A$  the number of Semi-Permanent Posts of Category A (Branch Officers). Let  $B$  be the number of Permanent Posts and  $B_1$  the number of Semi-Permanent Posts of Category B (Section Officers). Let  $N$  be the number of Standard Secretariat Divisions provided for in the Secretariat Quota of the Authorised Permanent Strength. It is necessary that there should be a sufficient number of permanent officers of the Grades required for manning  $A_1 + B_1 + \frac{3}{4} (A_2 + B_2)$  posts. The composition of a Standard Secretariat Division is such that one Division would provide 6 such officers viz. 2 Under Secretaries, 3 Superintendents, and one Assistant Superintendent of sufficient seniority to be placed in charge of a Section. Hence  $N$  will be determined by the formula—

$$N = \frac{1}{6} (A_1 + B_1) + \frac{1}{6} (A_2 + B_2)$$

The numbers in different grades will then be as follows:

Grade I ...	Under Secretaries	.	.	.	2N
Grade II	Superintendents	.	.	.	3N
Grade III ...	Assistant Superintendents	.	.	.	3N
Grade IV ...	Assistants	.	.	.	16N

The number of Assistants thus arrived at will be somewhat short of the requirements of the permanent and three-quarters of the semi-permanent posts in the Central Secretariat. This, however, will be adjusted in time by gradual diminution of the relative proportion of Assistants to gazetted officers.

17. *Non-Secretariat Quota.*—This will represent first the number required to man Included Posts (*vide* para. 7 above) and secondly the number of officers who will be either on leave or required to be on deputation to posts other than Duty Posts. The number required for the former purpose will be fixed at the actual number of included posts which are permanent and

three-quarters of the number of semi-permanent posts in the different grades concerned. The number required for the latter purpose will be fixed at  $3N$  and distributed among the different Grades as follows:

$$\frac{N}{4} \text{ in Grade I}$$

$$\frac{N}{2} \text{ in Grade II}$$

$$\frac{3N}{4} \text{ in Grade III, and}$$

$$\frac{3N}{2} \text{ in Grade IV}$$

$N$  being calculated as in para. 16 above.

18. In addition to the Authorised Permanent Strength temporary additions to the strength of the Service may be made to such extent as may be found necessary for manning all Duty Posts and enabling officers to be on training, leave or deputation to posts other than Duty Posts. Such temporary additions should not, however, be made to Grade I or II. The additions required in these Grades will be made in Grade III; while all other additions will be made in Grade IV.

#### IV.—Initial Constitution of the Service

19. After the Authorised Permanent Strength of the Service (as well as of each of the four Grades therein) is determined as above, the Initial Constitution of the Service will be undertaken. Appointments to Grades I and II will be completed within six months of the date of sanction of the scheme; appointments to Grade III will be completed within eighteen months; and appointments to Grade IV will be completed within thirty months.

20. For purposes of initial constitution of Grades I to III of the Service, a distinction will be made between "Existing Incumbents" and "Outsiders".

(i) "Existing Incumbents" will be defined as consisting of all persons who are in Service on the date of sanction of the scheme, and who then hold or have previously held any of the Duty Posts of Category A or B, as specified in the Schedule of Duty Posts. Existing incumbents who are not permanent Government servants will have to fulfil certain conditions regarding age and educational qualifications which will be prescribed separately.

(ii) "Outsiders" will be defined as consisting of all other persons who are eligible for applying to the Special Recruitment Board, set up for selection of candidates for the Indian Administrative Service and the Indian Police Service; as well as all other persons who are eligible for appearing for the next competitive examination to be held by the F. P. S. C. for the Indian Administrative Service, Indian Police Service, and certain Central Services, Class I.

21. **Grading and Weeding of "Existing Incumbents".**—Each Ministry will prepare a list of 'Existing Incumbents' under its administrative control, divide them under one or other of the three Grades I to III, for which they are considered suitable, and within each Grade arrange them in an order of preference.



and indicate which, in their opinion, are unsuitable for permanent appointment in Grade III. The order of preference should be determined on the recommendation of the Departmental Promotion Committees concerned, who should review the qualifications and record of service of existing incumbents and also interview them if necessary. The Graded Lists, together with all the relevant confidential records, should be forwarded through the Ministry of Home Affairs, to the Federal Public Service Commission. The Commission will be requested to review the recommendations and the records, interview which candidates as it may consider necessary, and forward to the Ministry of Home Affairs a Consolidated List of officers whom it considers suitable for appointment to the three Grades I to III, and arrange them in a common order of preference for the Central Secretariat as a whole. Nothing in this grading procedure will affect the right of a permanent member of the present Secretariat Service to appointment in a grade corresponding to the post held by him substantively.

22. Qualifications of candidates, procedure for application, interview and selection by the Special Recruitment Board, will be the same as already prescribed. It will, however, be open to any Ministry, on the recommendation of the Departmental Promotion Committee concerned, to 'sponsor' an application from any person in service under its administrative control, if the applicant is not eligible for consideration as an 'existing incumbent'. The Special Recruitment Board will be requested to interview the candidates thus 'sponsored'. The Special Recruitment Board will prepare a list of candidates whom it considers suitable for appointment to the Service in any of the three Grades I to III.

23. Before the two lists referred to in paras. 21 and 22 above are finalised, the Special Recruitment Board and the Federal Public Service Commission will meet together and discuss the comparative merits of candidates included in them, and coordinate their respective recommendations.

24. The entire strength of Grades I and II and one-half of the strength of Grade III will be filled up from the Lists referred to in paras. 21 and 22. The remaining one-half of the strength of Grade III will be filled up after the results of the next competitive examination held by the F.P.S.C. for the Indian Administrative Service, etc. become available. There will be no rigid reservation of particular proportions for existing incumbents, outsiders selected by the Special Recruitment Board and outsiders appearing for the next competitive examination. It is broadly anticipated that approximately three-fourths of the total number may be filled by existing incumbents and one-fourth by outsiders so as to maintain reasonable standards of selection for both; and will be so filled if the requisite number of suitable candidates is found from these sources.

25. The mode of constitution of Grade IV is as follows:

Assistants who have already been appointed on a permanent basis and are not appointed to a higher grade in the Service as reorganised will be appointed permanently to Grade IV first. The first of the two tests to be held by the Federal Public Service Commission for enabling 'qualifiables' to become qualified will be limited exclusively to 'qualifiable' temporary Assistants. Thereafter, it would be considered with reference to the number of remaining vacancies to be filled as well as the number of qualifiable candidates remaining whether, and if so to what extent, the second test should be thrown open partially to the outsiders also.

## V.—Future Maintenance of the Service

### 26. Grade IV—Assistants.

- (i) *Pay*.—The pay scale will be Rs. 180—10—300—E.B.—15—450.
- (ii) *Recruitment*.—Permanent vacancies in the Authorised Permanent Strength of this Grade will be filled in two ways. One out of every 5 vacancies will be filled, Ministrywise, by promotion from the Ministerial Grades below the rank of Assistant. The remaining 4 vacancies will be pooled for the Central Secretariat as a whole and filled from among the successful candidates at the Ministerial Services Examination held by the Federal Public Service Commission. The qualifications for admission to this examination will continue to be graduates in the age-group 20—22 with relaxations of age-limit for the Scheduled Castes.
- (iii) *Training*.—Assistants will be on probation for a period of one year. A course of training for six months will be prescribed by general instructions issued by the Ministry of Home Affairs supplemented by Departmental instructions issued by the Ministries concerned. This will include a period of three months spent in the Secretariat Training School.
- (iv) *Promotion*.—Assistants who have completed 5 years' service in their grade and have not completed 30 years of age will be eligible for promotion by selection based strictly on the results of a limited competitive test held among Assistants of that age and service group to the rank of Assistant Superintendent. Those Assistants who are not so promoted will also be eligible in due course for promotion based on seniority, subject to the rejection of the unfit, to vacancies in the Grade of Assistant Superintendent which would be reserved for being filled by such promotion. [*Vide* para. 27(iv) below.]

### 27. Grade III—Assistant Superintendents.

- (i) *Pay*.—The scale of pay for Assistant Superintendent will be Rs. 275—25—500. Upon being placed in charge of a duty post of Category B he will be entitled to draw three advance increments in his grade so long as he remains in charge.
- (ii) *Recruitment*.—Permanent vacancies in the Authorised Permanent Strength of this Grade will be filled in three ways. Out of every 4 vacancies, 2 will be filled by candidates chosen from the results of the combined examinations held annually by the Federal Public Service Commission for the selection of candidates for the Indian Administrative Service, Indian Police Service, and certain Central Services, Class I. One in every 4 vacancies will be filled by promotion from among candidates who are successful in a limited competitive test specially held for Assistants of a prescribed age and service group, namely, those Assistants who have completed 5 years of service in the grade of Assistants and have not completed 30 years of age. One vacancy out of every 4 will be filled by departmental promotion, made Ministrywise, on the basis of seniority, subject to the rejection of the unfit.
- (iii) *Training*.—Direct recruits to the grade of Assistant Superintendent will be on probation for a period of two years. A training course of one year will be prescribed which will include a course of 3 months in the Secretariat Training School. All Assistant Superintendents will be required to pass a prescribed departmental test as a condition of eligibility to promotion to the rank of Superintendent.
- (iv) *Promotion*.—Assistant Superintendents (both those who are directly recruited and those who were promoted from the rank of Assistants) will after completion of six years' service in Grade III, and after passing the prescribed departmental test be eligible for promotion to Grade II. There will be a

selection based entirely on merit limited to eligible officers who have not completed 35 years of age. For those who are unsuccessful at this stage, there will also be a regular avenue of promotion by seniority [*vide* para. 28(ii) below.]

### 28. Grade II—Superintendent.

(i) *Pay*.—The scale of pay attached to this grade will be Rs. 530—30—800. When an officer of this Grade is placed in charge of a post of Category A, he will be entitled to draw four advance increments in his grade so long as he remains in charge.

(ii) *Recruitment*.—Recruitment to this Grade will be entirely by promotion from Assistant Superintendents. This promotion will be made in two ways. One-third of the vacancies will be filled, Ministrywise, by promotion on the basis of seniority, subject to the rejection of the unfit. Two-thirds of the vacancies will be pooled for the Central Secretariat as a whole and will be filled on the basis of selection purely by merit. The Selection will be confined to Assistant Superintendents who have passed the prescribed departmental test and completed not less than 6 years of service in Grade III and are not over 35 years of age. The selections will be made on the advice of the Federal Public Service Commission.

### 29. Grade I—Under Secretary.

(i) *Pay*.—The scale of pay attached to this grade will be Rs. 800—50—1,150. When an officer of this grade is placed in charge of a post in a higher service, he will be entitled to draw 5 advance increments in his grade as long as he remains in charge.

(ii) *Recruitment*.—Recruitment to this Grade will be entirely by promotion from the rank of Superintendent. Promotion will be based entirely on merit and made on the advice of a Selection Board for the Central Secretariat as a whole. The field of choice will be limited to the following age and service group among Superintendents, *viz.*, those who have completed 12 years' service in Grade II and III including not less than four years in Grade II, but who have not yet attained the age of 48.

30. *Deputations*.—Every Officer of the Central Secretariat Service will be required, after he becomes eligible for appointment to Grade II, to serve for a period of not less than three years on deputation to some post other than a duty post. Such post may be either borne on the cadre of a Central Service, Class I or a post under a Provincial Government. The post will be so chosen as to enable the officer to widen his outlook and enrich his experience and make him better fitted for holding a Duty Post of Category A or a post borne on the cadre of a higher service in the Secretariat.

31. *Leave, Pension and other conditions of service*.—These will be as applicable at present to all officers of Central Services, Class I or II as the case may be.

32. Nothing in the provisions regarding pay contained in this Section will be deemed—

(a) to prejudice the rights under existing rules of Pre-1931 entrants;

or

(b) to disentitle an officer substantively appointed to any grade in the Service, who is eligible for appointment to a higher grade, officiating in a vacancy occurring in a higher grade and, while so officiating, drawing the pay attached to the higher grade.

R. A. GOPALASWAMI.

16th June 1948.

**ANNEXURE VII (Para. 45)****EXTRACTS FROM THE BAJPAI COMMITTEE REPORT***“Improvement of methods of working in Departments”*

“24. The existing system suffers mainly from three defects:—

(i) In spite of the Rules of Secretariat Procedure, Officers seldom give guidance to the office when they send down a paper for consideration.

(ii) There is a multiplicity of officers in a vertical line through whom a file has to pass before final orders are given. An examination of the Administrative Directory of the Government of India will show how frequently the following type of entry occurs—

Item *By*—Assistant Secretary, Under Secretary; *Through*—Under Secretary Deputy Secretary; *To*—Secretary/Joint Secretary.

This not only delays the disposal of cases but lowers the sense of responsibility in the junior ranks.

(iii) There is a preponderance of inexperienced and untrained staff in the ministerial grades with the result that in spite of the delay which results from a file being sent to office the senior officers have to do a considerable amount of the work which should be done in office.

25. It is suggested that a system on the following lines should be adopted:—

(i) The items of work in each Department should be carefully scrutinised with reference to the number of important policy questions arising from day to day and should be allotted by the Secretary of the Department to officers of the status of Deputy Secretary or Under Secretary each of whom would be in charge of a number of sections. Except in cases which must go to higher officers either because an agreed decision cannot be arrived at at the lower level or because the case from its intrinsic importance requires orders of the Secretary or the Honourable Member, the officer to whom the item is allotted should pass final orders on all cases. Even in cases where reference to higher authority is essential it should be the responsibility of the officer concerned to see that final orders are passed without avoidable delay. Between the officer-in-charge of a group of sections and the Honourable Member there should be no more than one intervening officer who should appropriately be either the Secretary or Joint Secretary. Except in cases which specifically require the orders of the Honourable Member, the initiating officer will obtain the orders of the Secretary or Joint Secretary, where necessary, orally after discussion, and should not put up a file as such unless specifically asked to do so. In cases where the Honourable Member's orders are necessary, he must put up a brief summary of the case to assist the Secretary or Joint Secretary in obtaining Honourable Member's orders.

(ii) It will be necessary for the Secretary of a Department to keep in touch with the work of the Department as a whole and to co-ordinate it. This should be done by the Secretary holding a daily or bi-weekly meeting of all officers in charge of sections. This method worked most successfully in a number of Departments during the war.

(iii) The routine work of each Department is at present invariably allotted to and disposed of by an Assistant or Under Secretary. This involves waste of manpower. It is necessary to evolve a type of ‘Superintendent’ (who might be called ‘Principal’) who could be entrusted with the final disposal of

such routine work. The 'dak' of the Department should be initially distributed by an officer of the grade of 'Principal' to officers in charge of sections who, when they are unable to give directions themselves, will take the relevant paper to the initiating officer for his directions. Where that officer thinks that instructions from a higher officer are necessary, he will take the case personally to that officer and obtain orders.

(iv) Whenever inter-departmental consultation is necessary, this should be done, as far as possible, by discussion. Where a written reference is necessary, this should be made not by passing the file but by an office memorandum or a demi-official letter. This will help the officer originating a reference to clear his own ideas and to present to the Department whose advice or concurrence is needed, a precise statement of the point on which concurrence or advice is sought.

26. These proposals will throw more work on the Deputy or Under Secretary in charge of a group of sections and on higher Secretariat officers and it is probable that some of them will require more assistance in the shape of personal staff than has hitherto been allowed. Such assistance must be given if the effectiveness of the officers is to be increased and need not be confined to the provision of Stenographers only. We anticipate some reduction of ministerial officers' work if the proposed methods of working are adopted and accordingly it should be possible to provide the required assistance out of the existing strength of any Department, if necessary, after substituting staff of one grade for another. The exact extent of assistance required in any case should be decided by the Secretary of the Department.

27. We claim no originality for these proposals. Similar proposals have been made in the past but have not been acted upon. Unless Departments make a determined effort to put them into operation we fear that the advantages which we expect to accrue from them will not materialise."

# ANNEXURE VIII (Para. 78)

## REVENUE AND EXPENDITURE POSITION OF THE CHIEF COMMISSIONERS PROVINCES

(Figures in Thousands of Rupees)

Provinces	Revenue			Expenditure debitable to Revenue			Surplus + or Deficit —			Expenditure debitable to Capital		
	1938-39	1948-49 (Revised Estimates)	1949-50 (Budget Estimates)	1938-39	1948-49 (Revised Estimates)	1949-50 (Budget Estimates)	1938-39	1948-49	1949-50	1938-39	1948-49 (Revised Estimates)	1949-50 (Budget Estimates)
Delhi	68,72	1,57,79	1,59,27	55,58	2,70,49	2,44,90	+13,14	—1,12,70	—85,63	..	3,73	16,73
Ajmer Merwara	16,74	43,14	43,35	18,49	84,61	75,68	—1,75	—41,47	—32,33	..	..	38,15
Panth Piploda	14	15	15	12	28	30	+2	—13	—15	..	..	..
Andaman and Nicobar Is- lands.	19,86	70,77	1,00,96	36,03	1,07,63	1,00,01	—16,17	—36,86	+95	..	20,62	35,35